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Trade Outlook: Another Banner Year For U.S. Farm Exports

By Thomas R. Saylor

Abundant domestic supplies and continued strong world demand could lift U.S. farm exports to another record—tentatively projected at $29 billion—in fiscal 1979. If achieved, this would be the 10th straight record for U.S. farm exports, heightening agriculture's already strong contribution to the U.S. economy.

World demand for U.S. agricultural products is expected to continue strong during 1978/79. Despite the record grain crop in the Northern Hemisphere, U.S. farm exports are projected to exceed those of last year. Export tonnage may change little, but it looks like improved prices for the major commodities will push the United States to another record export value of about $29 billion. That would be 6 percent greater than in fiscal 1978.

At the same time, U.S. agricultural imports are forecast at $14.1 billion, which would leave a record surplus in agricultural trade of almost $15 billion.

The export total, which could range from $26 billion to $32 billion, will depend to a large extent on what happens to the Southern Hemisphere crops between now and next spring. But other factors beside weather bear on the level of agricultural exports.

Economic expansion can tell us a great deal about the strength of foreign demand. Growth in the world economy is expected to be a bit better in 1979 than it was in 1978—at least the first half outlook is promising. Growth rates are projected to rise slightly in Japan, most of Europe except the United Kingdom, and in Canada, which means improved demand in these traditional markets. Little change is seen among the OPEC (Organization of Petroleum Exporting Countries) nations, but expansion will continue in most of the non-OPEC developing countries, which are taking increasing amounts of U.S. products.

Growth rates are expected to be highest in the developing countries of East Asia, notably South Korea and Taiwan, which have substantial capacity for continued growth as markets for U.S. agricultural commodities.

The world monetary situation also impacts on U.S. agricultural exports, although the actual effect is difficult to measure. Obviously, monetary exchange rates have little or no effect on exports of products in which trade is impeded by institutional barriers, such as variable levies, or for which demand is inelastic. However, it is becoming increasingly apparent that overall U.S. competitive potential was improved by floating the dollar in the early part of this decade, and that exports of feedstuffs and other products not subject to these barriers benefited from its downward slide in recent months.

Two weeks ago, for example, when the dollar was at its low against the Deutsche mark, the price of soybean meal in West Germany was the same in marks as it had been 10 years earlier. That cannot help but stimulate export sales.

The point is that the impact of the dollar's exchange rate is commodity and market specific. In the bulk commodities, its effects are most likely to be felt on soybeans, which are bound duty-free in the European Community, and to some extent on cotton. Little effect is likely on wheat, and the effect on corn might be termed mixed.

Also important to trade are political factors. These are the domestic and trade policy decisions made in agriculture by the U.S. and foreign governments.

For example, while bad weather sharply cut back the Soviet grain crop in 1972, it was a political decision made earlier to improve consumer diets that sent the Soviet Union into the world market for 21 million metric tons of grain.

They have stayed with that decision—to import rather than cut back on use—in the years since, and this has produced a substantial market for U.S. corn and wheat. Even with a record 1978 crop now expected to be about 230 million tons, expanded meat output, along with stocks that have been depleted by previous crop shortfalls, could lead the Soviets to take sizable imports from the international market.

It appears that the People's Republic of China (PRC) made a political decision to open its doors to U.S. farm products, resulting in substantial sales of grains and cotton last year and into this year. How wide and for how long the doors will be open will depend on decisions by the Government of the PRC.

These decisions work the other way, of course. The inauguration by the European Community in 1962 of the Common Agricultural Policy (CAP) had a profound and generally negative effect on U.S. agricultural exports.

The introduction of EC variable levies in 1962 destroyed a U.S. broiler market in the Community that had reached over 66,000 tons before the levies were imposed.

Less apparent because it is masked by increases in U.S. grain shipments to the EC is the restraint on this

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growth applied by the variable levies of the CAP. The loss cannot be quantified, but it is evident from the fact that while annual domestic consumption of grain in the EC has risen by 26 million tons since 1960/61, net imports have declined by about 6 million tons, even though it would have been cheaper for the EC to buy grain from the import market.

This and other EC decisions, such as trade preferences, have been long-term factors in U.S. export trade. There also has been a return to more aggressive marketing of grains as the EC confronts the problem of surplus wheat and barley from a record 1978 grain crop and the increased use of feedgrain substitutes.

The decision seems to have been made for wheat and barley to move this surplus regardless of the cost or impact on other countries' trade. Exports are being subsidized to dispose of the surplus in third-country markets—an exportable supply of about 5 million tons of wheat and 3 million of barley. The subsidy of $100 or more a ton on wheat is likely to encourage export sales to nontraditional EC markets, such as Eastern Europe and even the PRC, to the detriment of U.S. wheat sales to those regions.

On feedstuffs, high grain prices have stimulated increased imports of nongrain feed ingredients, such as manioc, bran, fruit pulp, and others. Vigorous French protests of this trend have put pressure on the EC Commission to find solutions to the feedgrain substitutes issue.

Several actions are being considered that would affect U.S. exports to the EC during 1979 and the years ahead.

One, for example, involves limitations on imports of manioc, which has become a major element in EC compound feeds in recent years. EC manioc imports last year totaled about 4 million tons.

In contrast to grains, manioc is imported at a very low duty. Combined with duty-free soybean meal, it becomes a cheaper feed base than the traditional feedgrain/soybean meal mix.

It now appears that the EC will try to enter into an agreement with Thailand, its major supplier, guaranteeing market access but limiting imports of manioc from Thailand—probably to around the present level.

The manioc issue affects U.S. exports of both soybeans and corn—and in opposite ways.

Growth in the use of manioc has generated more use of soybean meal to the benefit of U.S. exports of soybeans and meal. At the same time, manioc as a substitute for grain has cost the United States corn exports to the EC that outweigh the gains in soybeans and meal.

The European Community is the largest U.S. market, worth $6.6 billion last fiscal year. On the other side of the world, Japan, a $4-billion-plus market, has a rice crop that will boost its stocks of rice to about 6 million tons. Stocks of this size hanging over its domestic agriculture are a problem for the Japanese Government.

Should Japan decide to try to solve it by subsidizing rice for feed use or into export, trading patterns for the United States and other countries would be affected not only for rice, but for other grains as well.

Decisions like those are being made continuously by governments somewhere in the trading community, affecting agricultural trade to one degree or another. They may be unpredictable, like the weather. But, unlike the weather, they can be controlled, and there is an effort underway in Geneva by about 100 countries to reach collective decisions that will influence trade for years to come.

The outcome of these multilateral trade negotiations is uncertain. The United States is working to break the impasse created by the EC reaction to the pending expiration of the U.S.-countervailing duty waiver. Meanwhile, much has been accomplished in work with other trading partners, and the U.S. target still is December 15 for completion of the negotiations; it can be done—and done with meaningful gains for U.S. agriculture.

Another group is meeting in Geneva, trying to work out a set of rules to replace the International Wheat Agreement.

At this point, the prospects are uncertain. However, negotiations have come a long way in constructing a new agreement. And they probably can complete an agreement that will be in the interest of U.S. producers before the end of the year. But some very hard issues lie ahead.

What is certain in both of these negotiations is that unless the participating nations demonstrate a confidence in their ability to make and abide by decisions to foster freer, more orderly trade, the pressures to turn inward to protectionism will be insurmountable.

Grain and feed. The record world grain crop may bring a slight reduction in volume of U.S. grain and feed exports. However, improved prices over those of a year earlier, primarily for wheat and sorghum, could push value up by maybe $500 million from last year's total of $11.7 billion.

In wheat, world trade is expected to decline marginally under the impact of record or near-record crops, with U.S. exports down by perhaps 2 million tons from last year's shipments of $32.8 million tons. Production increases are projected for Canada, Australia, Argentina, Western Europe, the Soviet Union, and India. Strong competition in the world market is likely, particularly from the European Community, with its substantial export subsidies, and also from Canada and from Australia, where the weather has been very favorable for late crop development.

The Soviet Union, which has produced a wheat crop estimated at 115 million tons, is likely to import the minimum amount of wheat from the United States required under the Grain Sales Agreement, which is 3 million tons. This compares with 3.4 million tons last fiscal year.

On the other hand, the PRC, where the 1978 harvest apparently was below plan, is importing grain at a record rate. This year, the PRC is expected to import substantially more wheat from the United States than in fiscal 1978.

Shipments to Japan are expected to turn upward again after last year's reduced volume, depending on how Japan addresses its rice surplus. Increases also are seen in Western Europe outside the Community, and in most of Asia and Africa.

The EC will continue to import high-quality wheat for blending, but U.S. shipments are likely to be down somewhat from last year's level of almost 2.5 million tons.

World demand for feedgrains continues to increase, but the increase in 1978/79 production to a record of about 732 million tons is likely to exceed gains in consumption. In this situation, the United States will be fortunate to

hold the gain made last year, when feedgrain exports rose by almost 5 million tons to 55.5 million tons.

Of the three largest U.S. feedgrain markets last year—Japan, the EC, and the Soviet Union, each of which took slightly over 11 million tons—only Japan is expected to show an increase. Again, and as in the case of wheat, the disposition of surplus Japanese rice could affect the outcome.

U.S. feedgrain exports to the EC are expected to decline under the impact of a record EC coarse grain crop and internal prices that favor feeding of wheat and barley over imported corn. In addition, an exportable EC barley surplus of about 3 million tons is likely to adversely affect U.S. corn exports to third-country markets.

Even after a very poor corn harvest, the Soviet Union is expected to import less U.S. corn because the total Soviet feedgrain crop was second only to that of 1976.

This decline should be just about offset by export gains to Eastern Europe, where late rains have damaged coarse grains, and to the PRC, which last year imported no U.S. feedgrains.

Brazil, Mexico, South Korea, Taiwan, and Iran also should be good markets for U.S. corn in fiscal 1979.

Oilseeds and products. The value of U.S. exports of oilseeds and products is projected at $8.1 billion for fiscal 1979, a gain of 9 percent, as world demand for high protein feeds continues to expand.

Above-trend gains are seen for production among U.S. competitors, but a large share of that expected increase will not become available until after Southern Hemisphere harvests next March and April. Meanwhile, U.S. exports of soybeans and meal are expected to increase significantly during October-March, reflecting the short soybean harvest in Brazil last spring. What happens in the second half of the current year will depend largely on the Brazilian harvest next spring.

Some reduction is expected in U.S. exports of soybean oil because of accelerated competition from Malaysian palm oil, and demand for meal is expected to exceed that for oil, which could put downward pressure on oil prices.

The volume of U.S. soybean exports is forecast to rise slightly from the record 19.7 million tons of last year. At the same time, despite record U.S. supplies of 1979-crop soybeans, prices are expected to average somewhat above those of a year ago. This reflects increased domestic and foreign demand, as well as producer decisions to hold beans off the market.

Cotton. U.S. cotton exports are projected at 5.8 million bales, down slightly from those of fiscal 1978, but still the second highest total in the last 10 years.

World import demand is expected to continue strong. In Japan, economic growth is stimulating cotton use, and an export gain is likely there. U.S. cotton shipments are expected to be up substantially to South Korea and other countries in Southeast and East Asia, which last year imported almost 3 million bales of U.S. cotton. Their competitive position in the world textile economy remains strong, and their need for imported cotton is rising.

Continued drought in the PRC, which became the fourth largest U.S. cotton market last year, held back 1978 cotton production. As a result of weather problems, the

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U.S. Cotton Sales to Swiss Hit 20-Year High in 1977/78

Exports of U.S. cotton to Switzerland hit a 20-year high in 1977/78 (August-July) as importers there moved to capitalize on bargain prices brought on by the U.S. dollar's depreciation. Prospects for 1978/79, however, look less promising, since stockbuilding in Switzerland has gone about as far as it can.

Total cotton imports by Switzerland during 1977/78 rose nearly 25 percent from the previous year's to a record 53,732 metric tons, with the United States a leading beneficiary. U.S. cotton exports there soared 63 percent over the 1976/77 level to 9,595 tons to recover the No. 1 supplier position held by the United States in 1974/75. The U.S. share of the market rose to 17.8 percent from 13.6 percent in 1976/77.

Favorable U.S. prices in Swiss-franc terms for better qualities sought by the Swiss accounted for the gain, which followed a nearly 50 percent advance in 1976/77. Most of the U.S. cotton came from California, and the San Joaquin Valley in particular, with cotton of 1⅛ inch staple length dominating exports.

Turkey was in the No. 2 spot, supplying 8,346 tons, or 132 percent more than in 1976/77, when prices rose sharply in response to high minimum prices for Turkish cotton. Other major suppliers last season included Egypt, Peru, Israel, Syria, and Colombia—in that order. The USSR, usually a top source, dropped to 10th place as imports from that country fell 68 percent from 1976/77's.

A notable shift in this trade was the enlarged demand for longer staple lengths used in production of fine fabrics. Long and extra-long staple cotton accounted for about 30 percent of the imports, against 25 percent in 1976/77, and medium staple lengths accounted for 40 percent.

In contrast to the strong import demand, domestic use of raw cotton declined slightly to 47,496 tons last season, reflecting sluggishness in both domestic and

Philippines Resumes Livestock Loans

The Development Bank of the Philippines (DBP) has resumed lending to finance livestock projects under a second World Bank credit line, according to a dispatch from the U.S. Agricultural Attaché in Manila.

Loan applications eligible under the DBP financing programs include those for:

- New projects for which the loan value exceeds $100,000.
- Additional loans to existing borrowers, the total loan of which exceeds $100,000, including outstanding balances.
- Meritorious cases, such as additional loans for rehabilitation, restructuring, and consolidation, and the total loan for which (including outstanding balances) exceeds $100,000. □

export demand for Swiss finished and semifinished textiles. However, consumption of U.S. cotton by members of the Swiss Textile Industry rose 12.5 percent from the 1976/77 level to 6,601 tons.

Reflecting the discrepancy between imports and usage, Swiss stocks of raw cotton by June 30, 1978, had risen 32 percent above those of the previous year to 25,764 tons.

These large cotton stocks —together with the weak export demand for Swiss cotton yarn and other textiles—have dimmed prospects for Swiss cotton imports in 1978/79. Current estimates indicate a 20 percent decline in the country's raw cotton imports to about 42,000 tons. The United States is expected to supply about 7,500 tons.

One of the key problems has been the instability of the dollar-Swiss franc relationship, which makes it extremely risky to make forward purchases of cotton. The unprecedented strength of the Swiss franc also has been a major factor behind the slack demand for certain Swiss textiles—*Based on a dispatch from Homer F. Walters, U.S. Agricultural Attaché, Bern.* □

Soviet Cotton Production Down From Last Year's Level

The USSR's 1978/79 cotton crop is estimated at 12.5 million bales (480 lb net), down from the record 12.7 million harvested last season. Soviet seed cotton deliveries continue to run somewhat behind last year's rate. Deliveries through October 25 totaled 7.8 million tons, compared with 8 million for the comparable period last season.

Reports continue that bolls in some replanted areas have not opened fully and that the frost and cool weather in early October have slowed the ripening process. Weather, in general, has been more favorable in recent weeks, and the harvesting rate has improved greatly.

However, it seems likely that the crop has been damaged enough to prevent it from equaling the 1977/78 record. Some provinces already have exceeded their delivery goals. Uzbekistan, the largest cotton producer, reports the most difficulty. □

Indian Oilseed Output Up

Data recently released by the Indian Government and trade sources show that area and production of rapeseed/mustardseed, flaxseed, sesameseed, and nigerseed were greater in 1977/78 than in 1976/77.

The increases in total seed output for the crops were: 15.2 percent for sesame, rape, and mustard seeds; 16 percent for flaxseed; and 23.2 percent for nigerseed.

According to the Indian trade, combined rapeseed/mustardseed production was 1.8 million metric tons in 1977/78, compared with the previous season's 1.562 million tons. Flaxseed outturn was estimated at 500,000 tons.

The rapeseed/mustardseed production estimate is based on harvest results from an estimated 50 percent of the planted area, and flaxseed outturn is based on the harvested crop from 65-70 percent of the planted area.

Rapeseed/mustardseed area is estimated at about 1.7 million hectares in 1977/78, compared with the previous season's adjusted estimate of 1.48 million hectares, about a 220,000 hectare rise. Flaxseed area was up by 72,900 hectares to 1.431 million hectares.

The area increases for rapeseed and mustardseed in 1977/78 (compared with area the previous season) were mainly in Uttar Pradesh, Madhya Pradesh, Orissa, West Bengal, and Gujarat. These increases were largely attributable to favorable weather conditions at sowing time.

The estimates for sesame and niger seeds, both of which are final, show 1977/78 sesameseed production was up by 64,200 tons to 486,000 tons, and area was up by 26,700 hectares to 2.3 million hectares. Nigerseed production was 26,300 tons higher, reaching 139,600 tons. The area was 21,900 hectares greater, totaling 590,000 hectares.

The rise in sesameseed production was largely because of favorable growing-season conditions in Uttar Pradesh, Orissa, and Karnataka. Seasonal conditions were good in Madhya Pradesh, Orissa, and Maharashtra, causing farmers to increase nigerseed planted area. These States accounted for most of the production increase. □

Brazil's Auto Makers Plan Alcohol-Powered Car Motors

In another step towards Brazil's goal of replacing a large share of its petroleum imports with alcohol produced from sugarcane, manioc, and other plant materials, the country's automobile industry recently announced that within 3 years it will begin production of car motors capable of running on 100 percent alcohol.

It is planned that 16 percent of the automobiles made in Brazil will be fueled by alcohol by 1983, according to a report from the Office of U.S. Agricultural Attaché in Brasília. Brazil is the world's largest producer of sugarcane and manioc and, in both cases, current production levels exceed domestic consumption and export needs.

At the present time, gasoline in São Paulo, Rio de Janeiro, and Brasília contains an alcohol mixture of 20 percent. In 1977, petroleum imports cost the country $3.8 billion, more than a tenfold increase in just 5 years.

Brazil has set a 1980 production target of 3 billion liters of alcohol for mixture with gasoline. To meet this goal, sufficient raw material could be produced on 1.3 percent of Brazil's estimated 47 million hectares now in cropland.

Current total area in sugarcane and manioc is 1.8 million and 2.1 million hectares, respectively. Some 550,000 hectares of sugarcane and 85,000 hectares of manioc would be required to produce the plant material needed to achieve the 1980 alcohol-production goal.

Today, only about 5 percent of Brazil's land area is under cultivation, but a sharp increase is seen in the next decade. □

Lack of Suitable Land Clouds Future of Turkey's Citrus Output

By Walter A. Stern

After substantial growth in production, exports, and consumption during the 1950's and 1960's, Turkey's citrus industry is facing an uncertain future as the lack of suitable land restricts further crop expansion, particularly of lemons—Turkey's major citrus export item. As a result, Turkey is not expected to present any major threat to U.S. lemon sales to Western Europe, at least not in the near future.

Although there are some citrus-growing areas available, they are located in regions where the weather is not as favorable as in current citrus groves.

Turkey's citrus production, which totaled 1.05 million metric tons in 1977/78, (October-September), is centered in five major regions—Adana, Içel, Antalya, Izmir, and Hatay Provinces. Some tangerine production is also located in the eastern Black Sea area.

Orange production, which totaled 600,000 tons in 1977/78, is located mostly in the Provinces of Antalya, Içel, and Hatay, while lemon output (280,000 tons in 1977/78) is centered in Içel. Tangerines are produced and mainly exported from the Izmir region.

Because of its favorable climatic conditions, Içel is ideally suited for citrus production, particularly lemons. Unfortunately, land area there is restricted by mountain ranges. Consequently, any expansion would have to take place in the Adana and Antalya areas where there is the risk of occasional frost.

Amounting to only about 3.5 percent of total agricultural exports during the past few years, citrus exports, totaling 143,000 tons in 1976/77, have not been an important foreign exchange earner for Turkey. However, citrus exports do amount to about 85 percent of total fresh fruit shipments.

Turkey's citrus exports grew during 1960-76, with most shipments going to the Middle East or East European countries. But these markets have not proven to be a steady outlet for Turkey's surplus citrus production.

During the past few years, Iran has been the major market for Turkish oranges, taking approximately 85-90 percent of total orange shipments. However, during 1978, exports to this country have fallen off sharply because oranges were found to be too expensive for the average consumer.

Major outlets for Turkey's tangerines have been Austria and West Germany, accounting for 64 percent of the market share during the 1976/77 season.

Most of Turkey's lemon exports are to Eastern Europe and West Germany; the USSR, Romania, Yugoslavia, and Bulgaria take the major portion of shipments.

Most of the bilateral trade agreements that have been signed between Turkey and East European countries have included exports of citrus as one of the products to be traded against industrial imports.

The European Community (EC) has also restricted entry of Turkish citrus. The EC granted Turkey a tariff preference concession amounting to 60 percent on imports of oranges and tangerines. The Turkish Government has requested an increase in this concession from 60 to 80 percent, so that Turkey would have equal access to the EC along with the Maghreb countries of Morocco, Tunisia, and Algeria. Because of French and Italian pressure, the EC turned down the Turkish request.

With the upward trend in disposable income, Turkey's domestic consumption of citrus has been increasing rapidly. In addition, citrus has been introduced to some parts of Turkey where only a few years ago it was relatively unknown.

According to figures published by the State Planning Office, per capita consumption of citrus in Turkey

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Turkey: Citrus Production and Trees, Selected Regions, 1975

Region and commodity	Production	Trees		
		Bearing	Nonbearing	Total
	Metric tons	*Number*	*Number*	*Number*
Adana:				
Grapefruit	1,214	28,331	908	29,239
Lemons	8,470	91,864	15,781	107,645
Mandarins	7,577	131,295	10,318	141,613
Oranges	79,836	1,019,169	38,060	1,057,229
Sour oranges	5,297	176,678	33,495	210,173
Antalya:				
Grapefruit	1,137	35,080	5,300	40,380
Lemons	18,423	352,213	2,450	354,663
Mandarins	6,767	241,500	7,625	249,125
Oranges	166,578	2,532,152	60,700	2,592,852
Sour oranges	3,667	202,114	7,550	209,664
Içel:				
Grapefruit	9,107	79,367	5,700	85,067
Lemons	254,189	1,679,523	349,379	2,028,902
Mandarins	24,948	403,269	13,310	416,579
Oranges	151,374	1,625,030	79,900	1,704,930
Sour oranges	990	31,000	27,000	58,000
Izmir:				
Grapefruit	2	100	0	100
Lemons	149	15,545	870	16,415
Mandarins	30,529	894,173	105,557	999,730
Sour oranges	16	1,525	0	1,525

Handgrading and packing of Turkish oranges. About 10 major and five small packinghouses process Turkey's total citrus output.

—at 13.3 kilograms—is approximately the same as in the United States, but the rate of growth in Turkey is faster. While U.S. citrus consumption rose from 12.8 kilograms per person in 1969 to 13.5 kilograms in 1975 (a jump of 5.6 percent), consumption in Turkey increased from 11.5 to 13.3 kilograms—a gain of 15 percent—during the same period.

Projections indicate that Turkey's citrus consumption is by no means leveling off; it is expected to increase to 18.1 kilograms during 1976-87. During this time, tangerine and orange consumption is expected to grow by 44 and 21 percent, respectively.

Grapefruit consumption, which is the smallest of all citrus fruits, it anticipated to gain approximately eightfold during 1976-87. Grapefruit has not been generally accepted by consumers in Turkey, but an educational program currently is being conducted by the Government to point out the benefits of grapefruit consumption. Furthermore, grapefruit prices have been generally lower than those of other citrus fruits; therefore, producers have not been very interested in expanding production.

Most citrus in Turkey is sold on the tree by orchard; therefore, it is difficult to establish prices paid to farmers. However, the Office of the U.S. Agricultural Attaché in Ankara calculated average prices per ton received by farmers during 1977 for different types of citrus. They were (with export prices per ton in parentheses): Lemons $200 per ton ($308); oranges $200 per ton ($316); tangerines $210 ($320); and grapefriut $105 ($150).

There are approximately 10 major and five small packinghouses that process Turkey's total citrus production. Although several of the packinghouses that have received help from World Bank loans are modern units with automated operation, the bulk of the packing is still done manually. The equipment is mostly Italian, as the cost of transportation makes U.S. equipment not competitive with the European product.

Citrus exporters must be a member of a citrus exporters' union in their region, and all exports have to be registered before shipment.

Currently, Turkey is using the EC's export standards under the administration of the Turkish Ministry of Agriculture.

The Export Promotion Research Center (IGEME), an autonomous export promotion agency created in 1960 and operating under the administration of the Ministry of Commerce, helps local companies improve the quantity and quality of Turkish citrus exports.

In order to promote the sale of citrus overseas and make Turkish fruit competitive with other supplying countries, the Government instituted a tax rebate scheme by which an exporter that ships $1.4 million worth of citrus receives a 10-percent tax rebate; a 15-percent rebate is given if exports exceed $1.4 million in value.

Sleeping lemons are an important factor in Turkey's lemon marketing. The term refers to lemons that are stored in caves for summer sale. The lemons are picked, wrapped, packed, and trucked to near the town of Nevsehir in central Anatolia, where they are kept in caves at a constant temperature of about 60 degrees Farenheit for 5-6 months. By using this storage method, Turkey is provided with a year-round lemon supply.

The amount of Turkish citrus processed for juice is minimal—about 5 percent of total production. About 5,000 tons each of lemons and grapefruit, and 15,000 tons of oranges are used for the juice-processing industry. An additional 15,000 tons of oranges are imported annually from Cyprus because they are of a variety suitable for juicing.

Turkey produces a variety of excellent pure fruit juices, but unfortunately the production cost is too high to make them competitive with those of other producing countries. Some of the juice plants are forced to export, even at financial losses, because the Government granted licenses to the firms to build only if the juice products were exported. □

U.S. Probes Allegation Of Vegetable Dumping

By Gretchen Heimpel

The U.S. Treasury Department is checking an allegation by Florida vegetable growers that Mexican producers are dumping fresh winter vegetables in the United States at less than fair value.

At the present time, Mexico supplies over 95 percent of the winter vegetables imported into the United States.

The petition for an antidumping investigation was filed September 12, 1978, by the Southwest Florida Winter Vegetable Growers Association, the Palm Beach-Broward (counties) Farmers Committee for Legislative Action, and South Florida Tomato and Vegetable Growers (a producers' group) under provisions of the Antidumping Act of 1921, as amended.

Products covered by the probe are fresh tomatoes, peppers, cucumbers, eggplant, and squash that enter the United States between November and April.

The Florida vegetable growers are concerned that Mexican winter vegetable imports—whose share of the U.S. market is growing—will compete inequitably with U.S. produce if sold at less than fair value.

The fair value of an imported product is usually determined as being the price at which the same or a similar product is sold in the exporting country.

When the quantity sold domestically is so small—compared with the amount exported to countries other than the United States—that domestic sales give an inadequate basis for comparison, an alternative test of fair value must be used.

This is also the case when the product sold domestically is substantially different from that exported to the United States—such as the different quality of winter vegetables sold, for instance, in the Mexican market.

Fair value also can be determined as being the price of the same or a similar product sold to a country other than the United States—such as Mexican vegetables sold to Canada. Or fair value can be based on the item's "constructed value" (cost of production, marketing, and a reasonable profit margin).

Within 30 days of receipt of an antidumping petition that meets all statutory requirements, the Secretary of the Treasury must sign the order to begin the investigation, and notice must be published in the *Federal Register*.

Notice of the Mexican winter vegetable antidumping case was published in the *Register* of October 19, 1978.

At the time of the order's signing, if there is doubt whether substantial injury was done to the petitioners by the imports, Treasury can request the International Trade Commission (ITC) to conduct a preliminary injury investigation. If, within 30 days, the ITC determines there is no reasonable indication of injury, Treasury will terminate the investigation.

(In the case of the Mexican vegetables, Treasury found that there was evidence on record concerning injury to, or likelihood of injury to, the U.S. vegetable industry, and therefore the ITC was not drawn in at this stage.)

Within 6 months of the date of the investigation notice, Treasury must issue a tentative determination that sales were or were not made at less than fair value, or that it is discontinuing the investigation. In this case, a tentative determination could be expected by mid-March 1979, unless the Treasury determines that the case is a particularly difficult one. If so, release of the tentative decision may be postponed for an additional 3 months after the notice (mid-June).

If the tentative determination is that sales were made at less than fair value, a Withholding of Appraisement Notice will be published, and appraisal of imports will be suspended for up to 6 months, if both an exporter and an importer so request.

During this period, imports may enter the United States only after a bond is posted equal in value to both current duties and estimated special dumping duties. In the case of consignment sales, or other sales where the transaction does not occur prior to the export dates—which is common with Mexican winter vegetables—the bond must equal the full value of the merchandise.

If a request for a 6-month withholding of appraisal is not received from both an importer and an exporter, the initial determination of sales at less than fair value becomes the final one.

In other cases, Treasury has 3 months after the tentative ruling is made to issue a final ruling. If this final determination is that sales were made at less than fair value, the case is referred to the ITC. The ITC has 3 months to determine if these sales have caused injury to the domestic industry.

If there is a final determination that sales were made at less than fair value and that they injured the domestic industry, Treasury will periodically review the fair value of such imports and assess an additional duty equal to any existing dumping margin.

The public is permitted to participate in all stages of the investigation, beginning with the submission of evidence by the producers filing the petition. Importers also are allowed to present information and—prior to the final determination—attend "confrontation conferences" which involve

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Top: Worker in Sinaloa, Mexico, harvests vine-ripened tomatoes; Left: A load of sweet green peppers is unloaded at a Sinaloa packinghouse. Mexico's share of the U.S. fresh vegetable market has risen from 28-30 percent in the 1960's to 40-45 percent in 1977/78.

both importers and exporters.[1]

After an initial determination is made that sales were at less than fair value, public hearings are usually held within 3 weeks of the date such a hearing is requested. If there is an initial negative determination —or the initial ruling is to discontinue the investigation—public hearings are usually scheduled within 5 weeks.

Foreign producer and government involvement is always accepted, and the foreign governments usually are notified prior to the publishing of all notices.

Cooperation of foreign producers with the Customs Service investigators responsible for collecting the necessary data is helpful. If an adequate amount of information cannot be collected the Treasury Department may make its ruling based on whatever information is available, even though it is limited.

In 1977, the United States imported 785.4 million pounds of Mexican winter tomatoes, compared with the 1970-75 annual average of 615.4 million pounds.

Imports of squash were 66.9 million pounds that year, compared with a 34.9-million-pound average in 1970-75. Eggplant imports were 31.9 million pounds in 1977 and averaged 27.5 million pounds for the 1970-75 period.

Cucumber imports were 236.2 million pounds in 1977, compared with an average of 146 million pounds in 1970-75; and green pepper imports were 112.9 million pounds in 1977, compared with a 72.8-million-pound average for 1970-75.

The Mexican share of the U.S. fresh market varies considerably from the southwest region of the United States to the northeast, but for the total U.S. market the Mexican share has risen from 28 to 30 percent in the mid-1960's to 40-45 percent in 1977/78. □

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[1] *For further information on the case or submission of evidence, contact Mr. Michael Ready, U.S. Customs Service, Duty Assessment Div., Technical Branch, 1301 Constitution Ave., N.W., Washington, D.C. 20229, or telephone (202) 566-5492.*

World Cotton Output Lower, Exports Rise

World cotton production in 1978/79 is estimated at about 60.4 million 480-lb bales—down about 3 million bales from the year-earlier level, according to preliminary information from main cotton producing countries. Exports, however, should rise slightly from the 1977/78 level.

Foreign production is forecast at around 49.5 million bales—an increase of 400,000 bales, but below the earlier estimate as drought in the People's Republic of China (PRC) continues to limit recovery from the low 1977/78 output.

PRC cotton production for 1978/79 is forecast at about 9.6 million bales, compared with a revised 9.2 million bales for the previous season.

World cotton consumption in 1978/79 is forecast at 62 million bales, about 1 million above that of 1977/78. Most of the increase is in Asian cotton importing countries, with India, Japan, and Korea expecting the greatest growth.

With world cotton consumption expected to exceed production by 1-2 million bales, stocks could decline some 2 million from the 24 million bales on August 1. This lower total still would be above the 21-million-bale low reached on August 1, 1977.

World cotton exports are forecast at 20 million bales in 1978/79, up from 19.4 million estimated for 1977/78. The expected larger Indian crop will permit sizable cotton exports to resume after being limited by short crops the past two seasons. □

Yugoslav Farm Loan Approved

The World Bank has approved a $55-million loan to help Yugoslavia develop a $204-million agricultural and agro-industries project in Bosnia-Herzegovina, one of the country's least developed regions.

The project area covers 30 percent of the agricultural land and half the agricultural population in Bosnia-Herzegovina. It is designed to increase production of 12,000 individually owned farms and extend output on 9,500 hectares in the public sector.

It also includes an extension service, facilities to improve livestock breeds and crop varieties, artificial insemination, and farm machine repair facilities for individual farmers in all parts of the country.

An important feature of the project is the adoption of an integrated approach toward agriculture, based on cooperation between the private and public sectors. Individual producers will provide the bulk of the anticipated expansion in production, while the public sector is expected to foster growth through support services to farmers and diversification and expansion of processing facilities.

Three commercial banks —two Japanese and one French—have signed a letter of commitment with the borrower to negotiate a $20-million loan for the project. □

Japanese Complete U.S. Buying Trip

A team of more than 50 Japanese food importers left New Orleans for Japan October 27 after purchasing an estimated $100 million worth of U.S. processed and consumer-ready foods during a 2-week buying mission to five American cities.

In addition to meeting with U.S. exporters in New Orleans, they also met with members of the trade in San Francisco, Portland (Ore.), Chicago, and New York City.

In the five cities, the Japanese group viewed displays of U.S. food products, met with representatives of 240 U.S. companies, and held seminars on Japanese food safety and customs regulations. Both Japanese and American participants expressed pleasure with the outcome of the long-planned mission.

Tohru Noda, managing director of Hankyu Department Stores, and chairman of the Japanese group, said, "Buying tours of this kind are an excellent way to initiate new business with the United States and find new suppliers of the processed food products we need to buy."

The group's visit was part of a drive to increase U.S. processed food sales to Japan, which is U.S. agriculture's largest export market. In the U.S. fiscal year that ended September 30, 1978, U.S. agricultural exports to Japan totaled around $4 billion, with approximately one-tenth of that value representing processed or consumer-ready foods. The larger sales volume represents bulk products such as grains, soybeans, and cotton.

The Japanese team was organized by the U.S. Agricultural Attaché in Tokyo. It was the largest foreign mission ever to visit the United States for the sole purpose of buying U.S. food products and meeting with U.S. food industry people. The team was comprised of key decision-makers from leading Japanese supermarkets, department stores, wholesale firms, and trading companies.

The group's activities were coordinated by USDA's Foreign Agricultural Service (FAS) with the assistance of the Mid-America International Agri-Trade Council (MIATCO), headquartered in Chicago; the Eastern U.S. Agricultural Food and Export Council (EUSAFEC), New York; the Southern United States Trade Association (SUSTA), New Orleans, and the State Departments of Agriculture in Washington and Oregon.

Since each of the regional organizations represents a number of State agriculture departments, the five displays viewed by the team drew products from almost 40 states. □

Top: Wisconsin fish were among Chicago exhibits. Left: In Tokyo, U.S. Ambassador Mike Mansfield (right) and Attaché Dudley Williams with team leaders Tohru Noda (left) and Elichi Kamimura. Below, far left: New York host J. Roger Barber, Agriculture Commissioner and president of EUSAFEC. Below left: Meat importers Hiroaki Oshima and Kunitaro Ueda.

Thailand's Rice Export Markets Change Significantly

By Dean Richards

Top: Harvesting Thai rice. Below: Harvester performing a balancing act as he unloads rice harvested from the field in the background into the boat. Thailand is a major rice exporter.

During the past 13 years, Thailand's rice exports have demonstrated notable shifts in destination.

New markets have opened up, including Bangladesh, Laos, Vietnam, and certain countries in the Mideast, Africa, and Europe. In the same period, Thai rice imports by some other countries, notably India and Japan, have declined or ceased.

Led by Indonesia, the world's largest importer of rice, the ASEAN (Association of Southeast Asian Nations) countries of Indonesia, Malaysia, the Philippines, and Singapore have doubled imports of Thai rice since 1965. Between 1965 and 1977 imports rose from 611,196 tons to 1.3 million. (All volumes are milled rice; all weights, metric.) As a percentage of Thailand's total rice exports, the ASEAN market share has risen from 34 to 45 percent during those 13 years. In 1977, Thailand supplied the ASEAN group with 50 percent of its total rice imports.

In recent years, most ASEAN countries have come to depend on Thailand for the bulk of their rice imports. Malaysia, which took 55 percent of its rice imports from Thailand in 1965, pushed the percentage to 90 in 1977. Similarly, the Philippines went from 22 percent to 96 percent and Singapore from 73 percent to 99 percent. However, the volume of total imports by the Philippines has been down from past years.

Indonesia, whose huge demand has forced it to import rice from many sources, got more than 40 percent of its total rice imports of almost 2 million tons from Thailand in 1977. This represented 29 percent of Thailand's rice exports of 2.9 million tons, up from only 5 percent in 1965.

Hong Kong, Bangladesh, Laos, and Vietnam are Thailand's major Asian customers outside the ASEAN grouping. Recently improved relations with Southeast Asian socialist countries should further strengthen Thailand's position as a major rice supplier. This is especially true so long as production in Burma—a rice producer that could compete strongly with Thailand—continues to be hampered by a lack of vigorous production policies.

Larger exports to Southeast Asia and Bangladesh, however, are not likely to make up for the cut in Thailand's sales to the Indian, Japanese, and Philippine markets. Significant increases in total grain production—particularly of rice—have enabled these countries to cut their Thai rice imports sharply.

In 1965, these three countries imported 488,460 tons of Thai rice. In 1977, India purchased no Thai rice, and combined purchases by Japan and the Philippines were down to 72,301 tons.

The greatest shift in destinations for Thai rice exports during the past 13 years has been the move away from Asian to African markets. Whereas 76 percent of all Thai rice exports went to Asian countries in 1965, only 63 percent went in 1977.

Discounting Indonesian imports—which have risen dramatically in recent years and make up a disproportionate share of Asian imports of Thai rice—Thai rice exports to Asia have dropped from 71 percent of total Thai rice exports in 1965 to 34 percent in 1977.

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On the other hand, the share of Thai rice exported to Africa has risen during the past 13 years. In 1965, only 8 percent—160,245 tons—of Thailand's rice exports went to Africa. By 1977, this figure had climbed to 26 percent, or 753,165 tons. Thailand also has boosted its market share of total African rice imports. In 1965, Africa bought 19 percent of its imported rice from Thailand. By 1977, the total was 26 percent.

In 1977, Nigerian purchases of 278,281 tons made it the second largest importer of Thai rice—after Indonesia—and the single largest African buyer. Dahomey was the second largest in Africa, taking 101,860 tons. Much of this rice was transshipped to Nigeria after congestion in the port of Lagos forced Nigeria to make use of Dahomey's Porto Novo.

Dahomey's requirements, plus those of Nigeria, put the former country in eighth place as an importer of Thai rice. In descending order of importance, Thailand's top 10 rice importers in 1977 were Indonesia, Nigeria, Singapore, Malaysia, Sri Lanka, Bangladesh, Hong Kong, Dahomey, Vietnam, and Iran.

Neither Nigeria nor Dahomey was an important buyer of Thai rice prior to 1976. In fact, Thailand had few customers in Africa at that time.

In 1965, Thailand numbered just 13 African countries as customers, of which two were in West Africa. By 1976, however, the total had risen to 22, of which 10 were in West Africa. Swelling urban populations along Africa's Atlantic coast have boosted demand for rice. As the region's population grows, Thailand can expect to increase rice sales there, provided prices remain competitive.

Mideastern imports of Thai rice doubled between 1965 and 1977, with purchases the latter year reaching 233,735 tons. Although Thai rice is gaining in favor—largely because of its price—Pakistan's basmati rice is still the region's preferred grain.

Standing at about 31 percent in 1965, Thailand's share of the Mideast market fell to 16 percent in 1977. Thai rice exports to the Middle East—as a percentage of total Thai rice exports—have remained fairly stable at 9 percent.

Saudi Arabia and South Yemen have been the most important long-term Mideastern customers for Thai rice since 1965 with South Yemen acting as distributor to other Persian Gulf States. In 1977, Thai exports of 47,000 tons to the Yemen Arab Republic matched those to South Yemen. That same year, Iran and Iraq topped other Persian Gulf buyers, each taking about 75,000 tons of Thai rice. The number of Middle Eastern countries now buying rice from Thailand has risen from seven countries in 1965 to 11 in 1977.

Total rice imports by Western Europe have nearly doubled since 1965, but the share from Thailand has slipped by more than 60 percent. U.S. rice exports have largely replaced Thailand's lost sales. Larger takings of Thai rice by Belgium/Luxembourg and West Germany have been more than offset by sharp cutbacks by Denmark, France, and the United Kingdom.

Ironically, Denmark and the United Kingdom, Thailand's two largest European rice importers in 1965, have reduced purchases to a point where they were Thailand's smallest European customers in 1977. In that year, Western Europe's imports of Thai rice amounted to about 1 percent of Thailand's total rice exports.

Future rises in Thai rice exports are likely to remain tied to the country's production level, since export prices have little effect on producer prices under the country's current variable export tax system. However, the Kriangsak Government is committed to permit domestic farm gate prices to increase, which will allow a better correlation between domestic and world prices, and, ultimately, domestic production.

Since 1965, Thai rice production has increased by about 35 percent—from 7.7 million tons to 10.4 million in 1977. During the 1965-77 period, Thai rice exports have averaged 1.5 million tons annually, ranging from a low of 849,000 tons in 1973 to a high of 2.9 million tons in 1977.

Most of Thailand's 1978 exportable rice surplus—currently estimated at 1.8 million tons—is likely to be sold to its traditional markets. During the first quarter of 1978 (January-March), Thailand exported 577,698 tons of rice, 304,294 tons—52 percent—going to ASEAN countries. Indonesia alone took 163,439 tons.

Nigeria was the largest customer outside the ASEAN group, taking 62,606 tons of total African imports of 81,649 tons. The African total amounted to 14 percent of Thailand's total rice exports during the first quarter.

Export patterns in the immediate future are expected to remain about the same as in recent years. Exports to ASEAN countries will probably rise, as will those to other Southeast Asian importers. African—and especially West African—countries also will take larger amounts of Thai rice. □

"The greatest shift in destinations for Thai rice during the past 13 years has been the move away from Asian to African markets."

FAS/MIATCO Team To Visit Mexican Dairy Cattle Show

The importance of Mexico as a market for top-quality U.S. breeding cattle will be underlined by the visit of an FAS/MIATCO[1] (Mid-America International Agri-Trade Council) dairy cattle trade team to the National Dairy Show in Queretaro, Mexico, December 4-9, 1978.

This show is the second of three such Mexican events in which FAS and U.S. breed associations will participate during fiscal 1979. The first was the National Livestock Show in Mexico City, October 1-8, 1978; the last will be the National Beef Cattle Show, date and place still to be determined.

The FAS/MIATCO team will meet with cattle buyers attending the Queretaro show, and will take a swing through the area to visit outstanding dairy farms. Team members also will meet with representatives of the banking industry to discuss methods by which purchases of U.S. cattle can best be financed.

FAS, U.S. breed associations, and MIATCO will share a booth at the Queretaro fairgrounds, manned by representatives who will discuss U.S. breeding livestock with dairy breeders and producers.

Jim Sullivan, Livestock and Meat Marketing Specialist for the Wisconsin Department of Agriculture, and coordinator of the MIATCO project, said in a telephone interview with *Foreign Agriculture*, that—while one purpose of the trip is to follow up on U.S. breeding cattle sold in the past by MIATCO members—the ultimate objective is to make new sales.

"Mexico plans to buy some 19,000 head of U.S. dairy cattle in 1979, and Mexico is the top market for Wisconsin breeding cattle," Sullivan said.

"In 1976, for example, 12,000 head of Wisconsin dairy breeding cattle were sold to that country."

The dairy cattle show, held every year, serves as a showplace for high-quality cattle, both imported and bred by milk producers in the Queretaro and Torreon milksheds. The United States—along with Canada, this country's major competitor—supplies most of Mexico's imported breeding cattle.

In 1977, Mexico bought 28,452 head of U.S. dairy breeding animals worth some $15.9 million, contributing to U.S. agricultural exports to Mexico totaling $664.4 million. Ninety-five percent of these imports were bulk commodities—wheat, barley, sorghum, oil cake and meal, soybeans, hides and skins, seeds, and tallow being the most important of these. □

[1] *MIATCO is an export council composed of the 12 Midwest State Departments of Agriculture to coordinate and expand exports of food and agricultural products. Its headquarters is in Chicago, Ill.*

Transport Problems Hurt Canadian Grain Exports

Canada's 1978/79 grain exports may fall somewhat below last year's near-capacity level of 20.3 million tons.

With several factors impeding Canada's movement of grains into export position, some foreign buyers reportedly are being asked to accept somewhat deferred delivery of shipments originally scheduled for the November-March period.

Approximately 60 percent of Canada's grain exports move through Thunder Bay, the balance going through west coast ports and Churchill. However, only a small portion of the grain shipments from Thunder Bay are direct export shipments while most move by laker vessel to transfer elevators in the lakes and the St. Lawrence River.

As of mid-October, grains in eastern transfer elevators totaled only 45.4 million bushels, compared with a 3-year (1975–77) average of 82.3 million. More critical is the stock level in the lower St. Lawrence, totaling 26.5 million bushels, down from the 1975–77 average of 44.7 million.

Several factors have contributed to the 55 percent of normal stock position in the eastern elevators. Deliveries to Thunder Bay have been, and continue to be, below normal; problems of stock positioning have impeded the out-movement of types of grains as desired; a slowdown by railway switchmen delayed incoming grain cars; and a recent seaman's strike held up laker shipments for 11 days. □

South Africa's Dried Fruit Production, Exports Up

South Africa's production of dried fruit in 1978 was an estimated 20,000 metric tons, about 21 percent larger than the 1977 outturn and the third highest on record, according to a dispatch from James O. Howard, U.S. Agricultural Attaché in Pretoria.

Exports of sultanas—mostly Thompson seedless raisins—during 1978 are estimated at 6,400 tons, far above the levels of recent years. Exports of other dried fruits are expected to be at normal levels.

In 1977, South Africa was sixth among raisin exporting countries. The higher level of output in 1978 is mainly a result of a doubling (about 1,000 tons) in Orange River raisins and a 37 percent rise (about 3,000 tons) in sultana production.

South Africa's uncontrolled (not subject to the Dried Fruit Board) fruit crop (chiefly apricots, apples, peaches, and pears) in 1978 is estimated at about 3,900 tons—about 26 percent smaller than the 1977 outturn because of small pear, apricot, and apple crops. More attractive returns in other markets were blamed for the decline.

About 500 tons of raisins from Muscat grapes, 750 tons of apricots, and 350 tons of peaches as well as the usual mixes are expected to be exported. Export prices are firm, and export price realizations are expected to surpass domestic prices.

The United Kingdom in 1977 held its position as

Above, left: Harvesting grapes in South Africa; Top, right: Horses are still used to cultivate Western Cape vineyards; Above, right: Drying fruit in South Africa.

South Africa's leading customer for dried fruits, although its share of total South African dried fruit exports declined to 35 percent from 45 percent in 1976 and 38 percent in 1975.

The higher production level for total dried fruit production in 1978 is attributed to a combination of higher advance prices set by the Dried Fruit Board and favorable weather.

South Africa's domestic consumption in 1977 declined 6 percent from the year-earlier level because of insufficient supplies. About 650 tons of prunes were imported to supplement short domestic supplies. □

Italian Imports Of U.S. Rice To Set Record

U.S. rice exports to Italy in fiscal 1977/78 (October-September) are expected to set a record of about 200,000 metric tons (rough basis)—far above last year's 88,000 tons.

Such expectations are supported by a report from the Office of the General Sales Manager showing accumulated rice exports to Italy during marketing year 1977/78 (August-July) at 211,600 tons. In contrast, during the 7 years prior to fiscal 1976, U.S. rice exports to Italy averaged barely 43 tons per year, valued at only $15,000.

The value of this year's expected total could exceed $42 million. Italy is the only major producer and exporter of rice in Western Europe. Italy's output set records of over 1 million tons during 1973-75.

Since then, production has dropped back to more normal levels. In 1977/78 (August-July), Italian rice production was 30 percent below the previous 3-year average, pushing prices to record highs and requiring larger imports to meet export commitments. □

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U.S. Farm Trade Outlook

Continued from page 4

Soviet Union may have less cotton to export, especially to Western markets.

In this situation, U.S. cotton prices have been competitive and, despite a smaller crop, the United States will have a good supply of cotton available for export in fiscal 1979.

Livestock and products. Volume of 1979 exports of livestock and livestock products is likely to be little changed from last year's, but higher unit prices should push total export value somewhat above the $2.35 billion of fiscal 1978. Prices will be influenced by inflation, strong world demand, reduced supplies of some items, and stronger foreign currencies.

An export decline is expected only in dairy products, primarily because nonfat dry milk now is being sold at "world prices" that are far below those of a year ago.

Shipments of beef and slaughter cattle to Canada are expected to rise because of reduced Canadian production and easing of PBB restrictions. Beef exports to Japan also are expected to increase, and mandatory slaughter to eradicate swine fever in the Dominican Republic may stimulate U.S. pork exports.

Poultry and egg exports are expected to continue to rise, with larger shipments forecast to the Caribbean, Japan, Hong Kong, and the EC.

Fruits and vegetables. Export value of fruits and vegetables is expected to continue its upward trend beyond last year's total of almost $1.9 billion, despite an anticipated decline in volume.

Short U.S. crops of oranges, grapefruit, and lemons—combined with increased competition from Mediterranean countries granted tariff preference by the EC—will reduce the volume of citrus exports for the third straight year. U.S. supplies of raisins and tree nuts have been reduced by rain damage.

Tobacco. Increases are seen for both volume and value of U.S. tobacco exports, which were worth $1.1 billion last year. The main factors in this forecast are the high quality of the 1978 U.S. flue-cured crop, relatively low stocks of U.S. leaf in many countries, and the decline in the value of the dollar, which has held the cost of U.S. tobacco in major foreign currencies to about the same level as a year ago.

In other commodities, exports of sugar and tropical products are likely to increase slightly in value from last year's $572 million. The value of U.S. rice exports will likely decline from last year's $833 million, based on the expectation of substantially lower unit prices combined with little increase in volume.

Many factors will affect the final outcome—weather, which is with us always; world economics; and the political decisions on domestic agriculture and trade that are made by governments around the world.

Weather is beyond control, and the world economy is outside the purview of USDA, but the U.S. Government can, through representation, try to influence government decisions that affect the course of agricultural trade. □

International Meetings—December

Date	*Organization and location*
Nov. 27-Dec. 8	FAO Council, Rome.
Nov. 30-Dec. 1	U.S.-USSR Joint Committee on Agricultural Cooperation, Washington.
Nov. 30-Dec. 5	U.S.-USSR group of experts and Joint Commercial Commission meeting, Moscow.
3-8	American Society of Agronomy, annual meeting, Chicago.
4-6	OECD working party, agricultural policies, Paris.
4-8	UNCTAD ad hoc committee on Integrated Program for Commodities, Geneva.
4-14	International Cocoa Organization, London.
11-13	OECD ad hoc meeting on animal feeding, Paris.
11-13	International Fund for Agricultural Development, Rome.
11-15	UNCTAD Conference on Tea, London.
12-14	International Sugar Organization (Council), London.
14-15	OECD working party, meat, Paris.
15	Agricultural Cooperator Council/FAS, Washington.
15	International Cocoa Organization (Council), London.